

Iowa Housing Market Data

Iowa boasts a 73.8% home ownership rate compared to the National avg. of 67.15%

Iowa's median value of homes owned is \$95,901

Iowa's average property tax rate per \$1000 valuation is 12.87 compared to the national average of 11.27

For the past 10 years Iowa has averaged 13,500 new units - single & multi family housing

2005 housing permits topped 16,000 units with a valuation of over 2.3 billion dollars

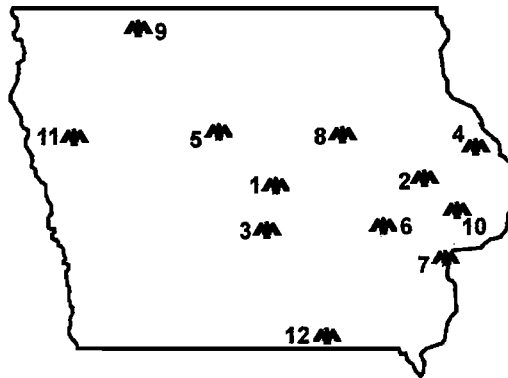
2007 building permit estimates indicate Iowa will not make the 10,000 unit threshold

A home price increase of \$5000 would cause over 23,300 Iowans to be priced out of buying a median value home.

A mortgage rate increase of 25 basis points would price out over 9500 Iowans from this same median value home.

* statistics from US Census Bureau 2000 & 2004 and the 2004 American Community Survey tabulated by NAHB.

Home Builder Associations in your area . . .



1 Ames HBA
515 460 5550
www.ameshomebuilders.com

7 Muscatine HBA
563 263 2595

2 Cedar Rapids HBA
319 395 0778
www.crhba.org

8 Northeast HBA
319 233 0565
www.hbaneiowa.com

3 Des Moines HBA
515 270 8500
www.desmoineshomebuilders.com

9 Northwest HBA
712 336 2156

4 Dubuque HBA
563 583 5152

10 Quad Cities HBA
563 441 5692
www.qchba.com

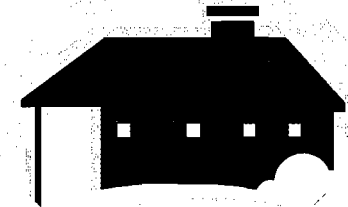
5 Fort Dodge HBA
515 955 3257

11 Sioux City HBA
712 255 3852
www.hbags.com

6 Iowa City HBA
319 351 5333
www.iowacityhomes.com

12 South Central HBA
641 856 2143
www.scihba.com

Housing ~ The Foundation of Iowa's Economy



The HBA of Iowa represents over 2600 builders and trade allies in the residential construction industry across the state of Iowa. These HBA members employ over 60,000 Iowans with earned wages of nearly 1 billion dollars.



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515 278 0255
www.hbaiowa.org info@hbaiowa.org

LEGISLATIVE IMPACTS UPON HOUSING

Notice & Opportunity to Repair (NOR) – HBAI will again introduce this legislation. The essence of the NOR bill is that it would allow the **builder to “repair” a defect before the buyer files a lawsuit.** If the builder fails to respond to the request to repair, the buyer maintains their legal rights to litigate against the builder.

Environmental Stewards – our industry believes in protecting our environment and saving our natural resources. These efforts are seen throughout the industry:

- Construction of **energy efficient homes** utilizing energy saving materials and appliances.
- **Recycling** of building materials and implementing **building efficiencies** to reduce material waste.
- **Saving trees** during new development and planting trees and plants to replenish the earth.
- Implementing “clean water” controls on building sites.

Unfortunately, **new environmental regulations** unfairly leveraged against the home building and development industry is **again increasing the cost of housing.**

Regulatory Fees – the base fee of most homes includes several thousands of dollars in fees before the

ground is even broken to construct the home. These fees are passed on directly to the home owner and can prevent lowans from being able to purchase their new home.

The Iowa Supreme Court ruled that **“impact fees”** are illegal. These are additional fees that cities tack on to the cost of housing permits because they believe housing creates a negative dollar impact upon their community.

In reality housing carries its own weight through:

- **Increased jobs and wages** in the community.
- **Materials** for the home are often purchased within the trade area of the community.
- New homes **increase the property tax base.**
- New residents **increase the overall tax base.** They buy their goods and services in their community and they become volunteers, donate to local causes and are often employed within the community they live.

Taxes – the cost of **property** taxes upon a home impacts the spending of the home owners. The tax rate has the ability to impede renters from pursuing the purchase of a home and may prevent first time owners from being able to upgrade to a larger home.

Sales tax – a mere 1% increase in sales tax impacts nearly every material used to construct a home as well as

several services. This equates to thousands of dollars of increased cost for a home.

Economic Engine – for most of the past five years, the home building industry has been the only positive factor keeping the US and Iowa economies alive. Growth in the industry was rapid and strong.

In the past 12 months, the home building industry has slowed dramatically. A surplus of units floods the national and state markets. The number of permits has decreased as the market goes through an inevitable correction following the recent boom.

Owning your own home is still a great investment. A recent nationwide survey by RT Strategies shows that **69% of owners listed their home as their most valuable asset** and 81% believe the value will rise over the next five years.

The majority of home builders and our allied trades are small business owners. They are entrepreneurs. They believe in a hard days work for a good days pay. They believe in giving back to their communities. They are family men and women choosing to work and live in Iowa.

At some point, we must determine that **housing for all lowans is good for our state.** Housing that provides a place for Iowa families to call home. A home that remains affordable throughout its life.

